FEBRUARY 21, 1966

IRISH-U.K. AGREEMENT

SOVIET REPORT ON 1965 FARM OUTPUT

TURKEY BRIGHT SPOT IN POULTRY EXPORTS

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

FEBRUARY 21, 1966

VOLUME IV • NUMBER 8

Trim, thatched-roof cottages like these in Curracloe County are typical of Ireland. Story beginning on page 3 tells of a new Free Trade Agreement between the Irish and their neighbor, the United Kingdom.

Contents

Foreign Agriculture is published weekly by the Foreign Agricultural Service, United States Department of Agriculture, Washington, D. C. 20250. Use of funds for printing this publication has been approved by the Director of the Bureau of the Budget (December 22, 1962). Yearly subscription rate is $7.00, domestic, $9.25 foreign; single copies are 20 cents. Orders should be sent to the Superintendent of Documents, Government Printing Office, Washington, D. C. 20401.

New Irish-U.K. Agreement Opens Free Mutual Trade

With broader implications than merely Anglo-Irish trade, the Agreement is expected to boost Ireland's involvement and importance in commerce.

By RICHARD E. BELL
U.S. Agricultural Attaché, Dublin

A trade agreement—signed December 14, 1965, by the Governments of Ireland and the United Kingdom—will open a free trade area between the two countries. The Anglo-Irish Free Trade Area Agreement comes into force on July 1, 1966, and provides for removal, over a period of years, of substantially all restrictions on trade between the two countries. The Agreement has great significance for Ireland in general, and for Irish agriculture in particular.

The United Kingdom is Ireland's major trading partner. The economies of the two countries are complementary in many respects. Anglo-Irish trade is largely the exchange of Irish agricultural products for U.K. industrial raw materials and manufactured goods. Seventy percent of Ireland's total exports and 80 percent of its agricultural exports are to the United Kingdom. Ireland's largest single export—live cattle—is an important factor in the United Kingdom's agricultural economy. Also from the U.K. viewpoint, only two Commonwealth countries—Australia and Canada—buy more from the United Kingdom than does Ireland, and among EFTA countries only Sweden purchases more U.K. products than Ireland.

The Agreement will permit Ireland to participate more actively in developments concerning European and world trade. Ireland is now expected to become a contracting party to the GATT, and the Irish Government has indicated it will consider membership in EFTA.

Membership sought in EFTA, EEC

Ireland's Premier, Mr. Sean F. Lemass, has indicated that the possibility of Irish membership in EFTA is related to the advantages of having the bilateral agreement with the United Kingdom absorbed and made part of a wider multilateral agreement. Mr. Lemass has indicated that Irish membership in EFTA would become a matter of urgency if there are signs of EFTA and the European Economic Community being joined together.

Membership in the EEC is still a goal of the Irish Government. In 1961, Ireland along with the United Kingdom, Denmark, and Norway applied for EEC membership. Ireland's application for membership was suspended soon after the breakdown in EEC-U.K. negotiations in early 1963. Ireland's current 1964-70 Second Program for Economic Expansion is based on the assumption that Ireland will be a member of the EEC in 1970. Mr. Lemass told a press conference on December 21 that nothing had happened up to that date to change the Government's assumption that Irish membership in the EEC by 1970 is possible.

The Free Trade Area Agreement is basically an exchange of Irish concessions on U.K. industrial products in return for the United Kingdom's granting improved access and price arrangements for Irish agricultural products and eliminating remaining import duties on Irish industrial products.

On July 1, 1966, the United Kingdom will abolish all remaining import duties on products from Ireland. Irish duties on U.K. products will be removed in ten equal installments beginning on July 1, 1966, except on jute and a large number of agricultural and agriculture-based products excluded from free trade. Protective elements in revenue and excise duties are to be removed along with import duties.

Five-year trial period

In the fifth year of the transitional period, the Irish Government can review any difficulties experienced by Irish industry. If exceptional difficulty is experienced, a limited number of products may be excluded from free trade. These exclusions, however, cannot account for more than 3 percent of the value of Irish imports from the United Kingdom in the year preceding the review.

Relief can also be provided at any time during the transitional period for a particular region or sector of industry if an appreciable rise in unemployment occurs as a result of increased imports. In such a case, the Irish can either apply quantitative restrictions for a period or extend the transitional period for elimination of duties to a maximum of 15 years. There are also provisions for imposition of quotas in the case of balance-of-payments problems.

Neither country is to introduce or intensify present quantitative restrictions on imports from the other. Next July 1, the United Kingdom will eliminate all quantitative restrictions on Irish agricultural products except maincrop potatoes, sugar, and products for which imports into the United Kingdom are regulated by international commodity arrangements. Butter, bacon, and cereals are included in the last category. Ireland will be permitted to continue quantitative restrictions on most U.K. agricultural products.

Except for store animals—cattle, sheep, and lambs, exported to the United Kingdom for further finishing—either party can regulate agricultural imports from the other. This can be done either in accordance with obligations under an international commodity agreement, or for implementation of any other arrangement for the purpose of orderly marketing. Application of either alternative requires both a restriction on domestic production or marketing, and regulation of imports from all other substantial sources of supply.

Additional provisions and agreements

In a December 14 exchange of letters related to the Free Trade Area Agreement, the Irish Government agreed to waive its right for duty-free access to the U.K. market, if the United Kingdom wishes to implement an import arrangement for a particular product by means of a minimum import price system enforced by levies. However, Ireland can be accorded no less favorable treatment than that accorded any other country having duty-free access for that product into the United Kingdom.

It should be emphasized that the type of import arrangement involved in such a case would be a minimum import price system such as that used for cereal imports into the United Kingdom and not a levy system such as that practiced by the EEC. Under a minimum import system, only sellers who offer below the prescribed minimum price are penalized. Under a levy system, all sources of supply are charged a levy irrespective of their various offer prices.

In addition to the Free Trade Area Agreement, the Irish and U.K. Governments signed several related agreements and documents last December 14. Some of the related agreements are very important to Irish agriculture, especially those dealing with livestock, meat, and butter.

Livestock and carcass meat

Store animals account for nearly 28 percent of total Irish exports to the United Kingdom, and are defined in the Free Trade Area Agreement as Irish animals that can be expected to be held on U.K. farms a long enough time to be eligible for price guarantee under the U.K. Fatstock Guarantee Scheme.

The Free Trade Area Agreement insures unrestricted, duty-free access to the U.K. market for Irish store cattle, store sheep, and store animals. Ireland presently has duty-free access to the United Kingdom for store animals, but the United Kingdom can restrict imports of Irish store animals in the interest of orderly marketing. Present arrangements are also subject to termination upon 6 months' notice. The new arrangement is on a permanent basis.

The Agreement on Store Animals and Carcass Meat signed by Ireland and the United Kingdom last December 14 in addition to the Free Trade Area Agreement includes four basic provisions:

1. The waiting period which Irish store animals must be kept on U.K. farms to be eligible for price guarantees will be reduced from 3 months to 2 months effective next July 1. Reducing the waiting period will allow greater finishing to take place in Ireland, and should lead to higher value per animal for the Irish animals exported to the United Kingdom. A shorter waiting period should also allow greater flexibility in the cattle business in both the United Kingdom and Ireland.

2. Effective next July 1, Irish store sheep and lambs imported into the United Kingdom will receive the same price guarantees as U.K.-bred sheep and lambs. Under present arrangements, Irish-bred sheep and lambs receive a lower guarantee than U.K.-bred sheep and lambs.

3. Beginning next July the U.K. will extend fatstock guarantee payments to 25,000 long tons of Irish carcass beef and 5,500 tons of carcass lamb imported each year into the United Kingdom. The price guarantees will be made in the form of annual payments from the U.K. Government to the Irish Government. These payments will be based on the average sum payable that fatstock year on equivalent amounts of carcass beef and carcass lamb produced in the United Kingdom. The Irish beef and lamb on which these payments are to be based must be from animals of a class eligible for price guarantee under the U.K. Fatstock Guarantee Scheme, and be of a standard not lower than that prescribed in the Scheme. This will be the first time that U.K. price supports have been applied to any Irish agricultural product exported in a finished state.

At the beginning of 1965, the Irish Government introduced a subsidy payment on carcass beef exported to the United Kingdom. This subsidy was to remove the advantage which live cattle exports had relative to carcass beef exports as a result of Irish store cattle being eligible for U.K. price guarantee. The United Kingdom will now pay for this subsidy on the first 25,000 tons of carcass beef exported to them each year, and a similar scheme can be initiated on carcass lamb, with the United Kingdom footing the bill for the first 5,500 tons exported each year.

The U.K. price guarantees on 25,000 tons of beef and 5,500 tons of lamb are expected to adequately cover Ireland's exports of these products. Irish exports of carcass lamb to the United Kingdom exceed 5,500 tons per year, but part of these exports are from lambs originally imported from Northern Ireland. These lambs have already been certified under the United Kingdom's Fatstock Guarantee Scheme, and are not eligible for further U.K. price guarantees.

4. The Irish Government is to use its best endeavor to insure that not less than 638,000 head of Irish store cattle are exported to the United Kingdom each calendar year, and that at least 25,000 tons of carcass beef and 5,500 tons of carcass lamb of specified standards are exported to the United Kingdom during each fatstock year.

Butter, bacon, pork

In an exchange of letters last December 14, the United Kingdom agreed to increase the basic import quota for Irish butter to 23,000 long tons beginning with the 1966-67 dairy marketing year starting next April. The basic quota for Irish butter is now 12,905 tons per year, but supplemental allocations have allowed imports of between 17,405 and 18,905 tons during the past 3 years. Therefore, the effective increase in the U.K. quota for Irish butter is more nearly 4,000 or 5,000 tons rather than the 10,000 tons implied in the exchange of letters.

The United Kingdom also agreed to consult with the Irish Government each year with regard to the butter quota, and to provide reasonable opportunity for growth in the basic quota for Irish butter, taking into account Ireland's plans for increased dairy production under its Second Program for Economic Expansion. The quota of 23,000 tons is expected to provide an adequate market for Irish butter exports in 1966-67. As a matter of fact, Ireland might have difficulties meeting the quota if weather is unfavorable next summer.

Imports of Irish bacon into the United Kingdom will continue to be governed by the international bacon agreements of 1963. None of the Irish-U.K. agreements concluded last December 14 provide for an increase in Irish bacon exports. However, in an unrelated announcement in early December, the U.K. Government announced that the import quota for Irish bacon would be increased by 1,010 long tons to 28,010 beginning with the 1966-67 marketing year on April 1, 1966.

Irish exports of fresh pork to the United Kingdom in recent years have been increasing. The Free Trade Area Agreement insures duty-free access into the United Kingdom for Irish pork, and prevents the United Kingdom from taking any unilateral action that might limit the amount of pork imported from Ireland.

Sugar and apples

The 1963 Anglo-Irish Sugar Agreement will continue to govern trade in sugar between the two countries. The

Clockwise from left; Galway County laborer at harvesttime; judge views Hereford heifers at Kildare County cattle show; turkeys bred on an Irish farm now protected by poultry import restrictions.

United Kingdom will be permitted to levy a surcharge on Irish sugar, and Ireland has also agreed to permit imports of specialty sugar from the United Kingdom.

Apple imports into Ireland from the United Kingdom will continue to be free of quantitative restrictions. However, there are provisions for increased protection for Irish apple growers. Apples from the United Kingdom are now subject to an Irish import duty of one Irish penny per pound (equivalent to 1.2 U.S. cents) during the entire year. Under new arrangements beginning July 1, 1966, the import duty on the first 3,000 long tons of apples imported into Ireland from the United Kingdom from August to February, inclusive, cannot exceed 1 penny per pound, but any further imports during this period can be charged a duty up to 2 pennies per pound. Imports from the United Kingdom are to be duty-free from March to July.

Poultry and cereal

If Ireland becomes a significant exporter of turkeys or broiler chickens to the United Kingdom, the Irish Government is to consult with the U.K. Government with a view to granting import facilities for these products into Ireland from the United Kingdom.

Ireland now imposes quantitative restrictions on poultry imports from the United Kingdom. This restriction is necessary because feed grains are cheaper in the United Kingdom than in Ireland as a result of the different price support policies followed for grains.

Both countries will be permitted to continue present arrangements for cereal imports from the other. The United Kingdom has a minimum import price system, while Ireland uses quantitative import restrictions.

Cotton textiles

The United Kingdom and Ireland have concluded the Agreement on Trade in Cotton Textiles which will govern Anglo-Irish trade in cotton yarns and textiles during the period January 1, 1966, through December 31, 1970. Existing limitations, with some allowances for growth, are to be continued on Irish exports of cotton yarns to the United Kingdom during the next 5 years. Ireland will also restrict exports of cotton fabrics and made-up goods based on material originating in countries whose direct exports to the United Kingdom are restricted.

Irish exports of cotton yarns to the United Kingdom are to be limited during the next 5 years to the following quantities: 1966, 2.75 million pounds; 1967, 2.8 million; 1968, 2.8 million; 1969, 2.9 million; and 1970, 2.9 million.

Manmade fibers

The level of annual exports of Irish cotton fabrics and made-up products are yet to be agreed by the two Governments. However, Ireland expects that the level will be based on exports in a recent year, and a growth factor related to the expected increase in U.K. demand. Ireland can impose corresponding limitations on cotton products from the United Kingdom.

Present U.K. import duties on Irish manmade fiber textiles will be abolished next July 1. Removal of these duties is expected to greatly improve the competitive position of Irish textiles in the U.K. market.

Soviet Report Gives Some Results of 1965 Farm Output

By HARRY E. WALTERS
Foreign Regional Analysis Division
Economic Research Service

Except for grain production, which suffered from another serious drought, 1965 was a good year for Soviet agriculture, according to the Soviet Government's annual report on economic progress. The report (published in *Sel'skaya zhizn'*, Feb. 3, 1966) indicates that the new Soviet agricultural program announced in March 1965[1] has had a generally favorable impact on agriculture.

Grain production, although still 12 percent above the disastrous 1963 harvest, declined 21 percent in 1965 from the record output of 1964. As a consequence, the government did not fulfill its plans for grain purchases from farms. The report hastens to point out, however, that "steps were taken to completely insure the supply of bread products to the country" (this is the way that Soviet officials refer to large wheat imports).

Other crops appear to have fared better. The output of rice, millet, and buckwheat increased sharply. "Good harvests" of sugarbeets, sunflowerseeds, flax, potatoes, and vegetables were reported. The cotton crop reached another record—5.7 million tons of unginned cotton, or between 8.7 million and 8.9 million bales of lint cotton.

The current report contains much less detailed information on the output of individual crops than did those submitted before 1963. Thus, it is difficult to tell what a "good harvest" actually means. A decline is indicated for 1965 crop production in general, but the output of most crops except grains was probably above average.

Livestock and meat improving

Despite the outbreak of foot-and-mouth disease during the summer, the Soviet livestock sector showed remarkable recovery in 1965 from its losses in numbers and output during 1963 and 1964. Cattle and cow numbers were at record heights in January 1966; pig numbers, which had fallen from 70 million to 41 million during 1963, were up again to almost 60 million. Sheep numbers also increased in 1965. Much of this growth in livestock numbers was due to increases in private holdings of livestock, reflecting the more favored treatment of this sector under the new Soviet leadership.

Meat production, which fell drastically in 1964, increased 16 percent to a level higher than that of any year except 1963—a year of distress slaughterings. Milk production increased 14 percent, reaching a new high. Egg and wool production also rose significantly. Government purchases of the various livestock products, primarily for urban consumption, were up even more steeply. The smallest rise was 12 percent; the largest, 26 percent.

Production of agri-industries up

The output of manufactured or processed agricultural products was much higher in 1965 than in previous years, reflecting in large part 1964's high crop output. Refined sugar production increased 34 percent, reaching the exceptionally high level of 11 million metric tons, of which 8.9 million tons came from domestically produced sugarbeets and the remainder from raw cane sugar purchased under the trade agreement with Cuba.

Butter production was up 24 percent, exceeding 1.1 million tons, while the output of cheese and other dairy products also increased significantly. The output of vegetable oil reached 2.7 million metric tons—a 24-percent increase—and was more than 500,000 tons above that of any previous year. The fish catch also exceeded any previous year's, reaching 5.7 million tons.

On the whole, the availability of most agricultural products except grains was substantially improved in 1965, rising well above levels prevailing before the 1963 agricultural failure. This is the consequence of a variety of factors, including very good weather throughout the country during 1964 and reasonably good weather in much of European Russia during 1965.

Farm inputs increased

The good performance of 1965 must also, however, be attributed to improvements in the economic conditions of Soviet farms, some of which took place during Khrushchev's last years of power and the rest under his successors. Important among these improvements are massive increases in the availability of fertilizer, machinery, and other capital inputs.

The report on 1965 performance reveals that fertilizer production increased another 22 percent, to 31.3 million tons in gross weight (7.4 million in terms of plant nutrients), or double the 1960 output. About 26 million tons of fertilizer, as well as 240,000 tractors, were delivered to agriculture in 1965, compared with only 11 million tons of fertilizer and 157,000 tractors in 1960. Investment in agriculture rose to 11 billion rubles ($12.2 billion), as against only 6.2 billion rubles ($6.9 billion) in 1960.

A satisfactory input-output relationship is difficult to establish between these various production factors and the size of Soviet harvests. Nevertheless, it is obvious that their impact was substantial, and that these increases in inputs do much to explain the levels of agricultural output in 1964 and 1965, especially those for sugarbeets, oilseeds, and cotton. Better weather, the new leadership's emphasis on improving pastures, and more assistance given to private livestock raisers obviously helped the livestock sector.

Incentives also increase

The prices the government pays for agricultural products, especially livestock products, have increased notably. A major increase had taken place in June 1962 in both producer and consumer prices. In March 1965 further substantial producer price increases occurred for a wide variety of agricultural products; included was another large increase in government purchase prices for livestock products.

These price increases, plus the more favored treatment granted private individuals for growing their own produce and livestock, have improved individual incentives. Collective farm income increased 16 percent in 1965, although output of most crops was lower than in 1964. Labor payments to collective farmers increased by about the same amount, and grain payments in kind, by 7 percent.

[1]*Foreign Agriculture*, May 3, 1965.

The impact of these factors is more readily observable on crops that are grown in regions not subject to drastic weather fluctuations. Little could be done to prevent serious declines in grain production in the New Lands and other eastern grain-growing regions, where agriculture's bargain with rainfall is always a precarious one. Drought in these areas in 1963 and again in 1965 made imports of grain, and especially wheat, inevitable.

Compulsory deliveries eased

The necessity for imports after the poor 1965 grain harvest is not entirely due to weather, however. A central feature of the new agricultural program in 1965 was a reduction in the amount of grain to be purchased through compulsory deliveries, even though government leaders indicated that these deliveries alone would not completely satisfy the needs of state. Instead, they relied upon bonus price incentives for deliveries above these levels. The report states that as much grain was left on farms in 1965 as in 1964, which suggests that the government preferred to purchase grain abroad rather than force excessive deliveries at home. Thus, in contrast to the later years under Khrushchev, more grain was available for seed, feed, and other on-farm uses, providing farmers with another inducement to produce.

Overall, the Soviet report claims, gross agricultural output increased "about 1 percent" in 1965, while the USDA index of net Soviet agricultural output indicates a drop of about 6 to 7 percent. The differences in performance shown in these two indices are not as great as appears on the surface. The Soviet index values livestock numbers and not meat output and double-counts feed inputs; the USDA index based on estimates of 1965 output deducts feed and values only the output of livestock products.

Grain problem remains

It will be later this year, probably March or April, before the Soviet Government releases detailed data on crop and livestock production in 1965. Nevertheless, even at this stage it is apparent that the Soviet Union has in large part overcome the serious crisis in agricultural production that it faced in 1963.

Output levels for many crops are still low and the grain problem remains serious. The need for imports, as 1965 indicated, depends largely upon annual performance in the weather-sensitive wheat-growing regions of the New Lands. This situation will continue until higher grain yields are achieved in less precarious regions of the country; and such yield increases are, incidentally, the major objective of the new Soviet agricultural policy.

Canada Moves To Spur Grain Shipments

Canada's persistent difficulties in achieving expeditious movement of wheat and other grains to and through west coast ports are being dealt with by a newly created Pacific Grain Transportation Committee.

The new committee, which met for the first time on January 25, is headed by former Assistant Chief Commissioner of the Canadian Wheat Board, William Riddel. It is composed of representatives of Pacific grain terminal companies, both railways—the government-owned Canadian National and privately owned Canadian Pacific—and the Wheat Board.

Biggest concern of the committee is the movement of wheat from the Prairie Provinces—particularly Alberta—to Vancouver, largest of the west coast ports. The six terminals at Vancouver reportedly have been working well below their 25-million-bushel capacity, in part because of unfavorable weather conditions over the past few months.

Cumulative wheat shipments from this area through January 19 of the current crop year (beginning August 1965) totaled 64.7 million bushels. This was 4 million bushels fewer than for the same time a year earlier, when pressures to meet a record export target were not present as they are this year. And it was about 6 million bushels under the total, in 1963-64, when Canada set a wheat and flour export record of 594 million bushels.

Commenting on the current transportation situation, Finance Minister Mitchel Sharp told the House of Commons on January 26 that Canada's export program at the Pacific coast is high but attainable "given a maximum effort and improved weather conditions."

Mr. Sharp went on to say that Canadian wheat and wheat flour exports exceeded the 300-million-bushel mark at the halfway point of the crop year. "This," he said, "is a very satisfactory performance in relation to the target of 600 million bushels for the entire year and has been accomplished notwithstanding the delays in loading ocean vessels at Vancouver."

—JOHN C. McDONALD
Assistant U.S. Agricultural Attaché, Ottawa

Canadian Province Gets Grain Subsidy

New Brunswick on January 11 became the third Canadian Province to establish a joint drought-relief program with the Federal Government for the purpose of paying special feed subsidies to livestock growers. Quebec and Ontario enacted similar relief programs last September.

Like their counterparts in the two other Provinces, New Brunswick producers of livestock have suffered damage to their forage crops from prolonged drought and need help in maintaining foundation herds over the winter. (See *Foreign Agriculture*, Oct. 25, 1965.) They are being reimbursed, however, under a different formula than that worked out for farmers in Quebec and Ontario (who were paid on the basis of their 1965 crop's deviation from the average) because of the lack of exact information on the full extent of damage in New Brunswick.

Under the New Brunswick plan, a livestock producer or dairyman is required to demonstrate his need by financing a base amount of feed himself—one-half ton of grain or three-fourths ton of hay per animal unit. The two levels of government (Provincial and Federal) will then subsidize further feed to a maximum of 1 ton of grain and 1½ tons of hay per animal unit.

Eligible farmers will receive no more than Can$750 each in assistance, and will purchase feed or hay and present the payment receipts to the Provincial Government for reimbursement. Experts anticipate that the total cost of New Brunswick's relief program will be less than Can$1.2 million.

—RICHARD H. ROBERTS
U.S. Agricultural Attaché, Ottawa

Great Britain's New Estimate of Grain Needs Calling for Larger Imports of Feed Grains

Great Britain, in the third estimate of fiscal 1966 grain requirements, has increased its planned imports of feed grains (excluding barley) by 100,000 long tons. It has also upped the export goal for barley and altered plans for usage of wheat and barley.

Animal feed requirements

The new estimate, based on conditions through November 1965, keeps animal feed requirements for fiscal 1966 at the second-estimate level of 13.05 million tons. However, the amount to be imported has been increased from 3.75 million tons to 3.85 million in order to allow a 100,000-ton increase in exports of barley. This new import figure is the same as British feed grain purchases in fiscal 1965.

Through November 1965, 2.5 million tons of the planned import of feed grains had been either imported or purchased, leaving 1.10 million still outstanding. Normally, the United States accounts for the largest share of this market—50 percent in fiscal 1965.

The rest of Great Britain's feed requirements will be met with domestic production of wheat and barley, now estimated at 4.10 million and 8.05 million tons. Since the new figure for wheat is down 50,000 tons from the second estimate and that for barley is up 50,000, the government has made this same alteration in plans for grain usage in animal feeds.

Wheat and flour needs

Human consumption of wheat and wheat flour in fiscal 1966 will amount to an estimated 5.5 million tons out of the 8.4 million for total wheat use.

Up to the end of November, British flour millers had taken only 640,000 tons of home-grown wheat, or 240,000 less than at the same time in fiscal 1965. However, the use of wheat by other processors, was 90,000 tons greater than at the same time a year earlier, totaling 590,000 tons.

Imports of wheat and wheat flour stand at the second-estimate level of 4.35 million, up some 250,000 from fiscal 1965. At least 10 percent of this year's import will be from the United States compared with only 4 percent last year. Through November 1965, 3.5 million of this requirement had been contracted for, leaving only 850,000 tons still to be purchased. By comparison, 1.59 million were still outstanding at the same time last season.

British Honduras Levies Favor U.S. Farm Trade

The recent change in British Honduras' schedule of import duties has brought an improved market outlook for several U.S. agricultural exports to that country.

Effective December 31, 1965, the new schedule favors imports of U.S. wheat flour, poultry meat, feedstuffs, and unmanufactured tobacco.

Imports of U.S. wheat flour, on which the duty remains unchanged, will benefit from a 233-percent rise in the levy on bread, biscuits, and cakes. In calendar 1964, British Honduras imported $800,000 worth of wheat flour, 80 percent of which was from the United States; its imports of bread, biscuits, and cakes totaled $90,000, 32 percent of U.S. origin.

Similarly, the hike—from 5 percent to 50 percent ad valorem—in import duties on all fresh, chilled, or frozen meats except poultry should help to at least maintain our poultry market. In calendar 1964, British Honduras imported about $311,000 worth of fresh, chilled, and frozen meat products, 95 percent of which was poultry products from the United States.

(Increases in the import duties on other food items such as seafood, fruit juices, honey, coffee, tea, will have little effect on U.S. trade.)

Feedstuff import duties were reduced from 10 percent ad valorem to a duty-free status. This should result in a rise in imports of animal feeds, virtually all of which are supplied by the United States.

The rise in duties on cigarettes (from $3.03 to $7.96 per pound) is expected to drastically reduce imports of cigarettes, the retail prices of which doubled when the new schedule became effective. In 1964, the value of British Honduran cigarette imports was $236,000; 30 percent of these came from the United States.

At the same time, requirements of leaf tobacco should rise. In calendar 1964, the United States supplied 60 percent of this market, by value, and could well supply a greater share this year.

—Dalton L. Wilson
U.S. Agricultural Attaché
Guatemala City, Guatemala

Australia Changes to Dollars

Australian farmers, businessmen, and consumers are bidding farewell to the stalwart pound in favor of American-style dollars and cents.

Officially introduced in Australia on February 14, the decimal system will gradually replace the British system of pounds, shillings, and pence. It is based on the 100-unit dollar, which got its start some 170 years ago.

Coins under the new system are the penny; a 2-cent piece; a 5-cent piece, which matches the old sixpence; a 10-cent piece, equal to the shilling; a 20-cent piece, equal to the two-shilling; and a 50-cent piece. All of the coins are of bronze, except the silver 50-cent piece. Paper currency is in denominations of $1, $2, $10, and $20. The 10-shilling note equals $1, and the 2-pound note, $2.

In converting to this new system, Australia divided its pound, valued at US$2.24, in half and then into a hundred units, coming up with a value for its new dollar of around US$1.12. This is the same conversion system used by South Africa when it changed to the dollar—on February 14, 1961.

Preparing for this change has been an expensive task for both the Australian Government and the public, running up a cost of more than a hundred million dollars, about half of which is being paid by the government. It has also been time-consuming, requiring 2 years of work by the specially created Decimal Currency Board and over a year of consumer education. Apparently, however, Australians feel the simplicity of the decimal system and its growing worldwide use merits the switch.

Several other nations and territories are also changing to the decimal system on February 14. These include New Zealand, Papua and New Guinea, the Gilbert and Ellice Islands, and the British Solomon Islands.

Excerpts from a recent speech by the U.S. Secretary of Agriculture before the American Textile Manufacturers Institute in which he analyzes impact of new cotton law.

Secretary Freeman Says New Cotton Support Plan Should Materially Raise U.S. Cotton Exports

We are in the midst of the longest sustained business prosperity in our peacetime history.

More than 70 million people are gainfully employed in our country.

Corporation profits last year were 20 percent up after taxes, and up 67 percent from 1960. Our gross national product will top $720 billion.

Net farm income was the best in 12 years; per farm income is at record levels—and 1966 promises to be even better.

The prosperity of the Nation has extended to the textile industry. Investment by the textile industry of more than a billion dollars this year in new plants and facilities means that the industry is confident enough to make a record investment in the future. This investment will mean stronger economies in those places where new facilities are built or old facilities are expanded. It will mean new jobs for U.S. workers and it will mean new markets for the cotton grower.

Steps leading to new law

Five years ago the Nation's economy had dipped into the third recession in the past decade, and earnings in the textile industry showed little prospect for improvement.

There was a crisis in confidence in the textile economy. The Administration set out to dispel it.

We negotiated with other textile producing countries arrangements which assured them of access to U.S. markets; these countries have shown restraint in not flooding U.S. markets.

A number of tax policy actions were taken to encourage greater investment by U.S. industry in general, and this has been of particular benefit to the textile industry. A more rapid tax depreciation schedule was instituted in 1961 and 1962, and corporate taxes were reduced in 1964 along with personal income taxes.

While these actions helped to strengthen the financial condition of the textile industry, even more basic changes in cotton production and cotton pricing policies were essential to the long-run health of the cotton and textile economy.

The cotton program which had served the Nation well for many years had simply run out of gas. Cotton exports were declining, cotton consumption in domestic mills was losing ground to test-tube fibers, and the cotton carryover was increasing rapidly.

New cotton legislation was enacted in 1964. It helped in some ways. It made the "breakthrough" on one-price cotton, but the 1964 cotton program was not a success. You will recall that in 1964 many of us claimed that the move to one-price cotton would increase domestic consumption by more than a million bales and bring about a reduction in the cost of cotton goods to the consumer. We were wrong and it became obvious that a new program was needed. With the new legislation the carryover of cotton continued to increase; the annual cost of the cotton program moved towards a billion dollars and it appeared it would continue to rise.

Cotton now free to move

The legislation adopted last year sets price support loans at near world prices and should enable cotton to move freely—and without Government participation—in domestic and world markets. A system of direct payments will maintain grower incomes at levels which will enable the farmer to meet his costs and obtain a decent income for himself and his family.

With U.S. price support loans at 21 cents per pound for the 1966 crop, and U.S. export prices at more competitive levels, this country can, and should have, larger cotton exports. Although exports during the current season will be low because countries abroad will be reducing their stocks on hand in anticipation of lower U.S. prices for the 1966 crop, exports in the 1966-67 marketing year are expected to increase sharply. Part of this increase will be to replenish the low stocks which will be held abroad on August 1, 1966, and part will be the result of the new program and its effect on production abroad.

The new legislation is expected to slow the rate of increase of world cotton production—but not to cause a decline in cotton production abroad. Lower cotton prices can encourage the consumption of cotton abroad because of more effective competition with rayon.

Slight changes in the rates of growth of cotton consumption and production abroad can cause a rather significant change in U.S. cotton exports. Cotton production abroad (excluding Mainland China) totals around 31 million bales and cotton consumption is around 34 million bales. Foreign consumption has been increasing at a rate of about 2.7 percent a year and foreign production about 4.1 percent a year for the past 10 years.

6-million-bale exports

If we could slow the rate of growth in production by just 1 percentage point and increase the rate of consumption by just 1 percentage point, U.S. exports could reach roughly 6 million bales in about 2 years. This is the kind of effort we must be making.

With higher exports and strong participation by producers in the new cotton program, the present record 16-million-bale cotton carryover can be substantially reduced. Production on an annual basis likely will decline about 1.5 to 2 million bales from the recent levels of about 15 million.

Another factor which can help increase cotton consumption, and speed the decline in carryover, is an effective cotton promotion program.

But the rate and extent to which the mountainous surplus of cotton is reduced will depend, as much as anything, on the actions and policies of the U.S. textile industry. It is within its power to help determine how successful the new cotton program will be and whether the American people will accept it as reasonable public policy.

I emphasize this fact, not because it is a startling revelation, but rather to impress upon you the need for us to continue the spirit of cooperation which has brought the Nation's economy to its present level of prosperity.

Turkey Sales Are Bright Spot in U.S. Poultry Exports

FAS official David R. Strobel, at the Southeastern Poultry and Egg Association's annual convention, cites major factors influencing U.S. poultry trade.

Despite increased world production of poultry—resulting in keener competition in world markets—the United States exported an estimated 201 million pounds of poultry meat in 1965. This was 13 percent below the 231 million pounds shipped the previous year, a percentage that might well have been higher had it not been for the aggressive efforts of the U.S. poultry industry to maintain exports to usual markets at as high a level as possible and to find and develop new markets.

Factors having the greatest impact on U.S. exports were zooming output in EEC countries where poultry industries are protected by high duties on poultry imported from third countries, as well as sharp production gains throughout Western Europe to meet needs caused by inadequate supplies of red meat.

Major U.S. market in 1965 continued to be West Germany. The United States shipped 84.5 million pounds of poultry meat there last year despite increased German production and import duties as high as 18 cents a pound for whole chicken (now 13-14 cents) and about 12 cents a pound for turkey. Duties on parts ranged from about 10 cents a pound on backs and necks to 21.5 cents on turkey breasts.

The export of turkey meat was the highlight of 1965. Exports to West Germany amounted to 37.5 million pounds, substantially above the 23.1 million pounds shipped the previous year. Total exports of turkey meat reached 58.5 million pounds, compared with 43.2 million in 1964.

The increase in U.S. turkey meat exports last year looms even larger considering that in 1956 the United States depended greatly on Canada, its principal buyer of turkeys, which that year imported 11-12 million pounds. In the summer of 1957, Canada—without previous warning—placed a complete embargo on imports of U.S. turkeys because of increasing domestic production and a support program.

Turkey sales recover

Many people at that time, thought U.S. turkey exports would never regain pre-1957 levels. However, by 1959 U.S. exports of turkeys were back up to 12 million pounds, with West Germany principal market. This market, along with the Netherlands, the Caribbean area, Switzerland, and Hong Kong, more than compensated for the loss of the Canadian market.

In 1962 the United States came face to face with the EEC's Common Agricultural Policy for poultry and the high import duty placed on U.S. exports to that area. The U.S. poultry industry has not fully recovered from the resultant loss, but is continually making progress. As previously pointed out, turkey and turkey part exports are increasing significantly in spite of the EEC duties, and the export of chicken parts continues to do well.

14 new markets

It is significant that in 1965 U.S. frozen poultry moved to 79 foreign countries, turkeys to 74, and canned poultry to 49. New turkey customers were Denmark, Norway, Spain, and Ecuador. New chicken customers included Iceland, Norway, Portugal, Ecuador, Syria, Thailand, and Gabon. New canned poultry customers included Saudi Arabia, Egypt, Ivory Coast, Sweden, and Nepal.

USDA will continue, when appropriate, to program poultry under Titles I and IV of Public Law 480. It was the programing of poultry under Title I that first placed U.S. poultry on the West German market.

Title I shipments of 700 metric tons of U.S. poultry to the United Arab Republic in 1959 opened up a market

Among overseas trade fairs where turkey was promoted in '65 was Brussels: (l) turkey revolves in infrared cooker; (below) is boned by demonstrator.

where frozen poultry had been virtually unknown. At that time, cold storage facilities were largely limited to coastal cities, and only seven retail outlets in the entire country were equipped to handle frozen poultry.

But lack of refrigeration proved no deterrent, as the imported frozen poultry was thawed and sold along with local fresh poultry. In addition, introduction of frozen products has encouraged retailers to get refrigerators and resulted in new outlets. Marketing and distribution facilities for frozen poultry are developing rapidly in the UAR, and there are now over 200 retail outlets, 150 of which have freezers.

Since 1959, the UAR has continued to import U.S. frozen poultry, with imports reaching 2.6 million pounds in 1963 and 4.7 million in 1964. The latest P.L. 480 agreement, signed at the beginning of 1966, includes 500 metric tons of poultry. The agreement requires that 1,000 tons be purchased commercially from the United States.

New uses for turkey

One more factor in increasing the demand for U.S. poultry products overseas is the development of new uses. Substitution of turkey breasts for milk-fed veal in Italy brought increased sales of U.S. turkey in that market. Veal is a traditional Italian favorite, and for the last year or so has been in short supply and extremely high priced.

In 1965, U.S. turkey exports to Italy expanded rapidly, setting a new record. Shipments amounted to 4 million pounds, compared with 2.8 million pounds in 1964.

The U.S. turkey promotion program in Italy during 1965 included exhibits, demonstrations, point-of-sale materials, and direct mailing of turkey recipes.

The individual efforts of U.S. poultry producers and their support of the promotional program administered by the Institute of American Poultry Industries, as an agent for the International Trade Development Board, in cooperation with FAS, will continue to be a major factor in maintaining existing markets and putting U.S. poultry in new world markets.

Trade fair promotion

FAS and IAPI have carried on active promotion of U.S. poultry at trade fairs and U.S. overseas trade centers. The 1963 poultry show at the U.S. Tokyo Trade Center gave tremendous impetus to Japan's development as an important new market for U.S. poultry.

Beginning with the 1965 trade fair program, new emphasis has been placed on providing, wherever possible, a U.S. trade participation area in U.S. trade fair exhibits. This means that at the majority of trade fairs, as well as at all trade center shows, the U.S. businessman with his order book will be provided space to sell his product.

What is the outlook for 1966? Continued increased poultry production in the world and increasing competition for world poultry markets. However, with the quality and variety of U.S. poultry products and with a continuing cooperative industry-government effort, the United States can meet the competition, and new overseas markets for U.S. poultry will be found.

West German Poultry Industry Steps Up Drive To Enhance Quality Image of Domestic Product

West Germany's first large-scale promotion of domestic poultry—launched late last year under the quality label "German Agricultural Quality Product"—is expected to gain momentum during 1966.

With German broiler production soaring, the promotional program is the second step in Germany's efforts to gain national acceptance of domestic poultry as a quality product and lay the groundwork for eventual exports to other Common Market countries.

The first step was taken last summer when the West German Government, in an effort to improve the quality of the country's poultry, passed a new Poultry Grading Regulation standardizing the grading, packaging, and labeling of all poultry sold on the German market. (See *Foreign Agriculture*, Aug. 16, 1965. Originally slated to become effective January 1, the application date of the new regulation has been postponed to July 1 to give the U.S. poultry industry extra time for some minor adjustments.)

Campaign features broilers

Principal focus of the campaign is on grade A broilers identified with the quality label. Developed by the Central Association of Chambers of Agriculture, this label is granted only to grade A birds that qualify.

The slogan "fresh and delicious—unequalled—are broilers with the quality label" is being used in all promotion. Advertising has appeared in consumer papers and housewives' magazines, with newspaper promotion slated for the near future. Pamphlets and information have also been distributed to the trade.

Backing up the poultry industry program will be a pamphlet prepared by the Federal Ministry of Agriculture to introduce the new poultry grades and regulations to consumers. The pamphlet is expected to be in circulation by July 1.

Funds to support the promotional program come from both the poultry industry and the federal government. Total contributions in 1965 are estimated at almost $250,000. Of this, about 10 percent came from the government, reportedly being used to disseminate information to the public on quality standards and the nutritional value of poultry.

Industry contributions

Most of the remaining funds were collected from the industry on the basis of 0.25 cent per bird slaughtered by poultry growers or slaughtering plants and 0.15 cent per broiler baby chick sold, plus a lump-sum contribution, by the largest breeding and hatching organization in the country. Other breeding and hatching firms are expected to contribute to the fund as the overall program is intensified.

The program is administered by the Poultry Union Management Committee, with three representatives each from private and cooperative slaughter plants and one representative from the central association of slaughter plants.

Production of poultry meat in West Germany has grown by 83 percent since 1955, with last year's output estimated at 350 million pounds. Most of the growth has been in broilers and fryers, which were once the major U.S. poultry exports to West Germany.

This rising production, combined with high EEC non-member levies on whole chickens and the German industry's own promotional campaign, has dimmed the prospects for non-member exports of broilers and fryers to the West German market.

Cattle Hide Exports Set Record in 1965

U.S. exports of cattle hides reached 13.5 million pieces in 1965, eclipsing the record set during 1964 by nearly 2 million pieces.

Practically all of the major traditional markets took substantially increased amounts during the year. Japan continued to be the largest single market, taking 3.8 million pieces—practically the same as during 1964. Total EEC purchases about equaled those of Japan, and were up about 400,000 pieces.

Eastern European purchases, including those of the USSR, showed the sharpest gains. These countries took 1.8 million pieces in 1965 compared with less than 0.4 million during the previous year.

The value of cattle hide exports alone totaled $90.2 million in 1965, about $21 million higher than 1964.

A detailed table and analysis is published in the February issue of the *World Agricultural Production and Trade—Statistical Report.*

U.K. Lard Imports Down Sharply in 1965

U.K. lard imports for 1965 through November totaled 431 million pounds, down 23 percent from the year before.

Reduced supplies and resulting higher prices in the United States have forced U.K. industrial users to seek alternate sources of supply on the Continent, and to switch to substitute oils. Thus, the total import of lard has dropped. Concurrently, such countries as Belgium, Denmark, Italy, France, and the Netherlands have shipped substantially more than during the previous year.

U.K. LARD IMPORTS BY COUNTRY OF ORIGIN

Country of origin	January-November 1964 Quantity	1964 Percent of total	1965 Quantity	1965 Percent of total
	1,000 pounds	*Percent*	*1,000 pounds*	*Percent*
United States	449,199	89.6	237,614	55.3
Belgium	13,674	2.5	102,050	23.7
Denmark	11,056	1.9	22,075	5.1
Italy	72	—	18,760	4.4
France	14,850	2.7	17,338	4.0
Netherlands	4,175	.8	11,779	2.7
Poland	—	—	7,314	1.7
Sweden	3,449	.6	4,796	1.1
Germany, West	9,805	1.8	3,174	.7
Rumania	—	—	2,081	.5
Others	940	.1	3,540	.8
Total	557,220	100.0	430,521	100.0

Source: Henry A. Lane & Co., Ltd., London, England.

Argentine Flaxseed Estimate Again Cut

The second official estimate places Argentine flaxseed production in 1965-66 at 23.2 million bushels, 11 percent less than the first estimate (26.0 million) and 28 percent less than the 1964-65 outturn (32.1 million). This estimate reflects the smallest Argentine production since 1960-61, when the harvest was 22.1 million bushels.

The crop was reduced by drought early in the season and by excessive rains at harvesttime. Seeded area was 11 percent above that of the previous year.

U. S. Coffee Consumption Drops

The *National Food Situation* published by the Economic Research Service of the U. S. Department of Agriculture reports in its February issue that coffee consumption in the United States in 1965 is estimated at 14.7 pounds per capita —a drop of 0.7 pound from the 1964 figure and the lowest in the last 15 years.

This decline will cause concern to the U. S. coffee industry and should cause greater anxiety to coffee-producing countries around the world. U. S. coffee imports recently averaged around 3 billion pounds annually, valued at over $1 billion and equal to about half of the world's coffee exports.

In view of the fact that prices have stabilized at a rather firm level, the question now is whether in the long run these tighter supplies and firmer prices might not be detrimental to all concerned. U. S. imports of green coffee are estimated to have totaled only 21.3 million bags in 1965, the lowest level since 1958. Roastings were also down, and stock levels ran comparatively low during the year.

More Beans in Mexico

According to recent reports from Mexico, several large wheat farmers near Hermosillo on the northwest coast plan to drop winter wheat completely and switch to beans as their principal crop. They can produce two crops of bean a year, one planted in February and one in August.

The main variety will be pinto beans or *garrabata*, planted from Idaho seed. Other varieties will probably also be grown, including black canario and bayo. These are two of Mexico's more common varieties.

This expected expansion of beans in the Hermosillo area is in keeping with previous reports from other nearby areas (see *Foreign Agriculture,* Jan. 17, 1966).

Rains Improve South African Corn Crisis

Recent rains in the Republic of South Africa have brought relief to the drought-stricken corn crop. Previously anticipated imports of 500,000 to 1 million tons of corn for the marketing year beginning on May 1, 1966, may not now be required.

The Grain Board has recently bought 159,000 metric tons of yellow corn for delivery in March, April, and May. The purchases are mostly of U.S. origin, two cargoes being bought in Argentina.

Before the recent rains, the new corn crop—to be harvested from March to July—had been forecast at 35-40 million bags (3.2-3.6 million tons). South Africa's domestic utilization in 1965-66 was 4.1 million tons.

Utilization has been increasing rapidly in recent years because of greater human consumption and substantially heavier feeding to livestock.

U.K. Winter Wheat Acreage Down

Winter wheat acreage planted in the United Kingdom in late 1965 for harvest in 1966 is reported at 1,499,000 acres, compared with the record 1,969,000 acres a year earlier. Early fall conditions were favorable for planting, and winter acreage then was expected to approximate the large area of 1964-65. However, after mid-November, continued cold weather, snow, and rain hindered planting.

Winter wheat seeding represents about two-thirds of the United Kingdom's total wheat acreage. The total from 1959-60 to 1964-65 averaged 2,064,000 acres, of which approximately 1,370,000 acres were winter wheat, and 694,000 were spring planted. Acreage in spring wheat ranged between 580,000 acres in 1964-65 and a record 808,000 acres in 1963-64.

Winter wheat seeding in 1960-61 was more limited than in the current year by prolonged heavy rainfall. Only 500,000 acres could be planted. The following spring as much as 1,327,000 acres were planted to spring wheat, resulting in a total acreage of 1,827,000 acres. This was the smallest in many years, and with per acre yields relatively low, production decreased below that of previous years.

Smaller Dried Fig Pack in Italy

The 1965-66 Italian dried fig pack has been tentatively estimated at 29,300 short tons—a decline of 1,000 tons from the previous year and 6,100 tons from the 1960-64 average. Commercially, Puglia continues to be the leading production area, followed by Calabria and Campania. Fresh fig production in 1965 is believed to have dropped from the 1964 level of 303,000 tons to 272,000 tons. The amount of fresh figs used for drying is estimated at 107,000 tons as compared to 111,000 in 1964.

Reportedly, the 1964 area devoted to fig production was larger than the previous year. Mixed plantings in 1964 have been estimated at 434,000 acres, while specialized plantings are placed at 52,000 acres. In 1963, these plantings were 430,000 and 49,000 acres respectively.

In spite of a smaller pack and higher prices, Italian exports of dried figs during 1965-66 are figured to slightly exceed the 1,800 tons exported in 1964-65. Shipments to France and Austria during the 1964-65 season were down substantially from the previous year. Imports during the 1965-66 season are forecast at 600 tons, or only 60 percent of those a year earlier.

During November 1965, edible figs in the Bari wholesale market were quoted at 9.98 cents per pound, while industrial figs were 5.08 cents.

ITALY'S WHOLESALE PRICES OF DRIED FIGS

Month	Industrial figs 1963	Industrial figs 1964	Edible figs 1963	Edible figs 1964
	Cents per lb.	*Cents per lb.*	*Cents per lb.*	*Cents per lb.*
January	4.88	3.81	—	9.25
February	5.55	4.57	—	—
March	5.88	5.12	—	—
April	6.42	5.81	—	—
May	—	5.73	—	—
June	—	5.66	—	—
July	—	—	—	—
August	—	—	—	—
September	3.81	—	—	—
October	4.17	5.37	8.89	9.98
November	4.64	5.08	9.62	9.98
December	4.39	5.99	9.98	—

ITALY'S DRIED FIG SUPPLY AND DISTRIBUTION

Item	1962-63	1963-64	1964-65	1965-66
	Short tons	*Short tons*	*Short tons*	*Short tons*
Supply:				
Production	33,200	34,300	30,300	29,300
Beginning stocks (Sept. 1)	600	500	500	400
Imports	600	1,100	1,000	600
Total supply	34,400	35,900	31,800	30,300
Distribution:				
Exports	3,200	2,900	1,800	1,900
Domestic disappearance	30,700	32,500	29,600	28,100
Ending stocks (Aug. 31)	500	500	400	300
Total distribution	34,400	35,900	31,800	30,300

ITALY'S EXPORTS OF DRIED FIGS

Country of destination	1964[1]	1965[1]
	Short tons	*Short tons*
France	900	500
Austria	1,300	300
U.S.	300	—
Others	400	1,000
Total	2,900	1,800

[1]Year ending August 31.

India Has Smaller Walnut Crop

India's 1965 commercial walnut crop is now estimated at only 10,000 short tons, in-shell basis. This is a 9 percent reduction from earlier estimates, about 23 percent under the 1964 crop, and nearly 22 percent below the 1959-63 average.

Shorter Indian supplies together with smaller crops in other exporting countries have contributed to appreciably higher prices than a year ago. Superior quality in-shell walnuts rose to 38.0 cent per pound on the Bombay wholesale market in October 1965 (the beginning of the current season). By comparison the October price was 33.2 cents in 1964 and 30.9 cents in 1963. New crop Indian light halves were quoted at 60.3 cents per pound landed in London in early January of this year as against 55.2 cents a year earlier.

Greek Currant Pack Down Slightly

The 1965-66 Greek currant pack is now estimated at 84,000 short tons, compared to 86,000 in 1964-65. The smaller crop is the result of untimely August rains which also accounted for poorer quality. Approximately 17,000 tons were estimated to have been lost because of the rains. Losses stemming from diseases or pests have been minimal. Reportedly, all new currant vineyards presently established in the Peloponnesus are on American rootstock which is phylloxera resistant.

Exports were originally forecast by the Greek trade at 66,000 tons; however, later reports indicate that shipments may be much lower because of the poor quality. In 1964-65, Greek exports totaled 68,900 tons. The United Kingdom, as in previous years, was by far the leading market for Greek currants in 1964-65, followed by the Netherlands, West Germany, East Germany, and Ireland. The combined purchases of these countries accounted for 98 percent of Greek exports during the 1964-65 marketing season. Reportedly, purchases by foreign buyers have been heavier toward the end of each crop year because importers have anticipated higher support and export prices at the beginning of the new season.

The reduced export availabilities have induced higher prices. As reported in the London press, prices during February 1966 are as much as $1.88 per 100 pounds (c.&f. U.K.) higher than those a year earlier.

GREEK CURRANT PRICES, C.&F. UNITED KINGDOM

Type	February 1965	February 1966
	U.S. dollars per 100 lb.	*U.S. dollars per 100 lb.*
Choicest:		
Calamata	16.00	17.88
Pyrogos	16.06 - 16.19	17.88
Selected Genuine Patras	16.75	18.38
Gulf	16.75 - 16.88	18.50 - 18.62

GREEK CURRANT SUPPLY AND DISTRIBUTION

Item	1964-65	1965-66
Supply:	*Short tons*	*Short tons*
Beginning stocks (Sept. 1)	2,300	—
Production	86,000	[1]84,000
Total supply	88,300	[1]84,000
Distribution:		
Exports	68,900	—
Domestic disappearance	19,400	—
Ending stocks (Aug. 31)	—	—
Total distribution	88,300	—

[1]Estimate.

Netherlands Canned Fruit, Juice Prices

Selling prices in the Netherland (landed, duty paid) of selected canned fruits and juices are as follows:

Type and quality	Size of can	Price per dozen units Jan. 1965	Oct. 1965	Jan. 1966	Origin
CANNED FRUIT		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Apricots, halves:					
Choice	15 oz.	2.15	1.96	1.96	Spain
Do	2½	—	3.65	3.65	Spain
Do	2½	—	3.71	3.71	Greece
Peaches, halves:					
Choice, light syrup	2½	4.01	4.38	4.38	U.S.
Standard, light syrup	2½	3.81	—	4.24	U.S.
In syrup	2½	3.48	3.78	3.61	Greece
Heavy syrup	16 oz.	—	2.52	2.55	Italy
Fruit cocktail:					
Choice, light syrup	8 oz.	1.89	2.19	2.19	U.S.
Do	2½	4.67	—	5.64	U.S.
Fruit salad:					
Choice, light syrup	15 oz.	—	2.95	2.95	Spain
Do	2½	—	5.60	5.60	Spain
Pineapple:					
Fancy, extra heavy syrup:					
10 whole slices	2	3.41	3.68	3.75	U.S.
4 whole slices	1	1.72	1.82	1.86	U.S.
Choice, heavy syrup:					
10 whole slices	2	3.48	3.28	3.28	U.S.
4 whole slices	1	1.57	1.72	1.72	U.S.
CANNED JUICE					
Pineapple:					
Fancy, unsweetened	2	2.15	2.15	2.15	U.S.
Orange:					
Unsweetened	2	1.99	1.92	1.92	Israel

Hamburg's Canned Fruit and Juice Prices

The following are importers' selling prices landed, duty paid (free ex quay) for wholesalers, Hamburg, Germany, on orders of 50 to 100 cases of selected canned fruits and juices in January 1966, October 1965, and January 1965

Type and quality	Size of can	Price per dozen units Jan. 1965	Oct. 1965	Jan. 1966	Origin
CANNED FRUIT		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Apricots, halves:	2½	—	—	3.33	Spain
Do	2½	4.74	4.80	4.80	U.S.
Fancy	2½	—	3.48	3.45	So. Africa
Peaches:					
Do	2½	3.30	4.02	3.51	Greece
Choice, heavy syrup	2½	3.78	4.05	4.11	U.S.
Do	2½	—	—	4.23	So. Africa
Do	10	14.85	14.58	15.75	U.S.
Heavy syrup	10	—	13.65	14.85	Australia
Choice, light syrup	10	12.75	—	15.30	So. Africa
Pears:					
Do	2½	—	4.74	4.32	China
Do	2½	4.50	4.92	4.60	U.S.
Heavy syrup	2½	—	—	5.04	Italy
Choice, heavy syrup	2½	—	4.80	4.38	Australia
Fruit cocktail	2½	—	4.77	5.19	Argentina
Choice, heavy syrup	2½	4.74	5.70	5.58	U.S.
Do	2½	—	—	5.28	Australia
Do	10	19.11	22.50	22.50	U.S.
Choice, light syrup	10	—	—	20.55	So. Africa
Heavy syrup	303	—	—	3.90	U.S.
Fruit salad	2½	8.91	8.46	—	U.S.
Do	2½	—	4.78	4.78	Spain
Do	15 oz.	2.48	2.37	2.49	Spain
Pineapple, slices:					
Fancy, extra heavy choice	2½	4.56	4.52	4.48	U.S.
Do	2½	—	—	4.56	Philippines
Slices	2½	3.51	4.35	3.24	Ivory Coast
Do	2½	—	4.92	4.90	Kenya
Do	2½	3.48	3.88	3.85	So. Africa
Do	2	2.61	—	2.42	Formosa
Do	2	—	2.61	2.58	Malaya
Do	2	—	—	2.58	Ivory Coast
Choice	2	—	—	3.06	U.S.
Pieces	2½	3.27	3.33	3.27	Philippines
Do	2½	3.18	3.18	3.15	Formosa
Do	10	—	—	11.55	Kenya
Do	10	—	11.67	11.70	So. Africa
Crushed	10	12.78	12.66	12.66	U.S.
Do	10	10.08	9.93	9.93	Formosa
Do	10	9.63	9.33	9.33	So. Africa
CANNED JUICE					
Orange, unsweetened	2	1.74	1.78	1.85	Israel
Do	2	1.68	1.70	1.73	Greece
Do	2	—	—	1.79	Morocco
Do	2	—	—	1.80	Italy
Grapefruit, unsweetened	2	2.01	1.92	2.70	U.S.
Do	2	1.96	1.84	1.88	So. Africa
Do	2	1.95	1.92	1.94	Israel
Do	½ din	1.50	1.48	1.49	U.S.

Smaller Greek Dried Fig Pack

Later estimates now place the Greek dried fig pack at 23,500 short tons—down 2,000 tons from the previous year and 5,900 from the 1959-63 average. The 1965 crop was damaged partly by weather and partly by insects and diseases. As a result, size and texture are considered below average.

Exports during 1965-66 are forecast to reflect the smaller pack and may total 12,300 tons as compared to 14,600 in 1964-65. Reportedly, there have been shortages of grade A figs and, consequently, exports of whole figs to the United States are down from previous years. Greek

shipments to West Germany are reported to be declining.

Export prices c.&f. New York for whole figs during the 1965-66 season ranged between 15½ and 17 cents per pound compared to 13½ cents a year earlier. Fig paste prices (c.&f. New York) have been 11–11¼ cents per pound this season. The Greek Government has allocated approximately $366,700 for the dried fig subsidy. Payments, which have been set at 1.1 cents per pound, are based on the difference between the price paid to growers by the growers' cooperative and the sale price to exporters.

GREEK DRIED FIG SUPPLY AND DISTRIBUTION

Item	Revised 1964-65	1965-66
Supply:	*Short tons*	*Short tons*
Beginning stocks (Sept. 1)	—	—
Production	25,300	[1]23,500
Total supply	25,300	[1]23,500
Distribution:		
Exports	[2]14,600	[3]12,300
Domestic disappearance	10,700	[3]11,200
Ending stocks (Aug. 31)	—	—
Total distribution	25,300	[3]23,500

[1]Estimate. [2]Including 800 tons fig paste. [3]Forecast.

Canned Fruit and Juice Prices, London

Selling prices in London (landed, duty paid) of selected canned fruits and juices are given in the following table:

Type and quality	Size of can	Price per dozen units Jan. 1965	Oct. 1965	Jan. 1966	Origin
CANNED FRUIT					
Apricots:		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Whole, unpeeled, choice	303	2.41	2.36	2.36	U.S.
Halves, fancy	2½	3.13	3.45	3.20	S. Africa
Halves, choice	303	2.85	2.68	2.68	U.S.
Do	2½	4.16	4.02	4.02	U.S.
Do	2½	3.34	3.36	3.45	Australia
Do	2½	2.92	3.36	3.10	S. Africa
Do	1 (15 oz).	1.72	2.06	1.84	S. Africa
Halves in syrup	15 oz.	1.58	1.41	1.41	Spain
Halves, standard	2½	3.71	3.43	3.43	U.S.
Peaches, halves:					
Fancy	2½	3.27	3.62	3.38	S. Africa
Do	2½	3.41	3.55	3.55	Australia
Choice	2½	3.68	—	—	U.S.
Do	303	2.47	—	2.29	U.S.
Do	2½	3.01	3.36	3.27	S. Africa
Do	2½	3.34	3.36	3.45	Australia
Pears:					
Fancy	2½	3.48	3.62	3.55	S. Africa
Do	2½	3.55	3.64	3.66	Australia
Choice	2½	4.60	7.66	7.10	U.S.
Do	2½	3.22	3.36	3.45	S. Africa
Do	2½	3.34	3.36	3.59	Australia
Do	303	3.13	4.20	3.98	U.S.
Fruit cocktail, choice	303	2.46	2.94	2.76	U.S.
Do	15 oz.	2.00	2.10	2.10	Spain
Do	2½	—	—	4.15	Australia
Do	8 oz.	1.48	1.70	1.70	U.S.
Grapefruit sections:					
Fancy	303	2.61	2.52	—	U.S.
No. 2	20 oz.	2.62	2.76	2.73	Israel
Quality not specified	20 oz.	2.10	2.45	2.57	B.W.I.
Pineapple:					
Slices:					
Fancy	2½	—	3.91	3.91	U.S.
Do	16 oz.	1.76	1.64	1.92	S. Africa
Choice	2½	—	3.64	3.64	U.S.
Do	2	—	2.73	2.73	U.S.
Spiral, standard	GAQ 20 oz.	1.92	1.86	1.89	Malaya
R. C. standard	GAQ 16 oz.	1.73	1.73	1.73	Malaya
CANNED JUICE[1]					
Orange,					
unsweetened	43 oz.	4.52	4.52	4.34-4.55	Israel
Do	46 oz.	[2]3.95	[2]3.70	[2]3.50	U.S.
Do	19 oz.	2.00	1.96	1.89-2.03	Israel
Do	2	[2]1.92	[2]1.58	[2]1.70	U.S.
Grapefruit:					
Unsweetened	19 oz.	2.01	1.90	1.87-1.94	Israel
Sweetened	2	[2]1.27	[2]1.58	[2]1.45	U.S.
Do	2	1.94	1.92	1.95	B.W.I.

[1]Single strength. [2]F.o.b. Florida.

Italian Tobacco Production Smaller

Output of tobacco products by the Italian Tobacco Monopoly during the first 9 months of 1965 totaled 103.5 million pounds—down 4 percent from the 107.8 million produced in January-September 1964.

Cigarette production totaled 94.3 million pounds, compared with 98.0 million in January-September 1964. Production of cut tobacco fell 8.4 percent, cigarillos 21.3 and snuff 16.9. Cigars, however, rose 8.5 percent.

Malay States' Tobacco Imports Drop

Imports of unmanufactured tobacco by the States of Malaya during 1964 totaled 8.9 million pounds, compared with 12.2 million in 1963. Reduced takings from Rhodesia, India, the United States, Thailand, and Greece more than offset larger imports from Canada, Pakistan, Taiwan, Burma, Japan, and the Philippines.

Imports from Rhodesia, at 3.9 million pounds, were 23 percent below the 1963 level of 5.1 million pounds. Takings from India dropped to 0.8 million pounds from 2.6 million. Imports from the United States totaled 3.5 million pounds—down slightly from the 4.0 million imported during the previous year. However, imports from Pakistan rose to 319,000 pounds from 80,000 in 1963, and those from Canada to 212,000 compared with 104,000.

WORLD CROPS AND MARKETS INDEX

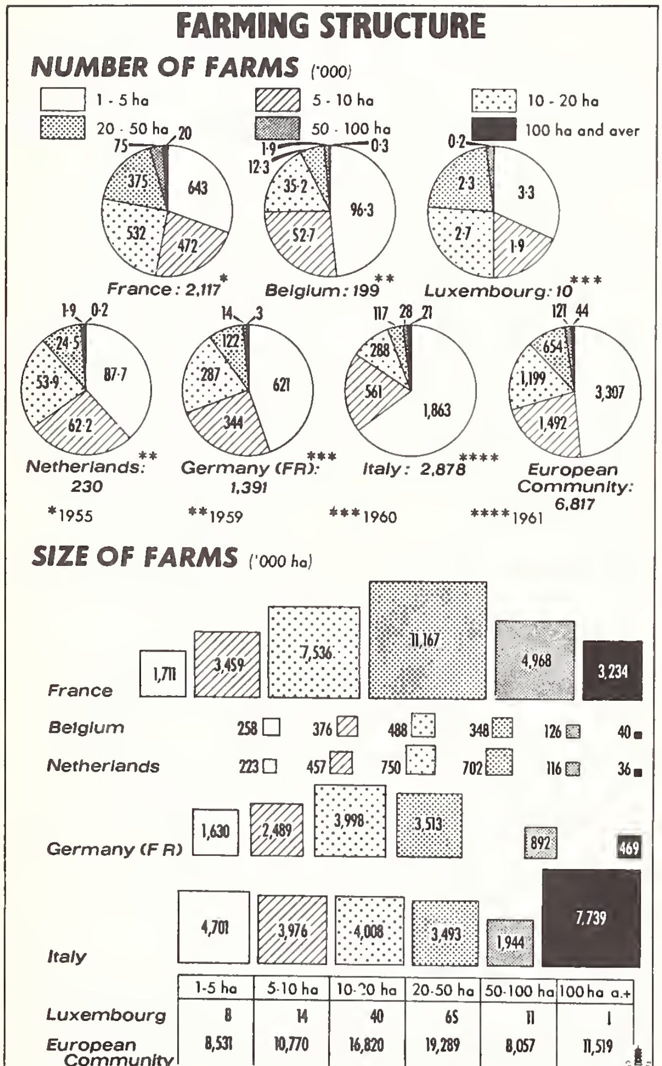
U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON D. C. 20250

OFFICIAL BUSINESS

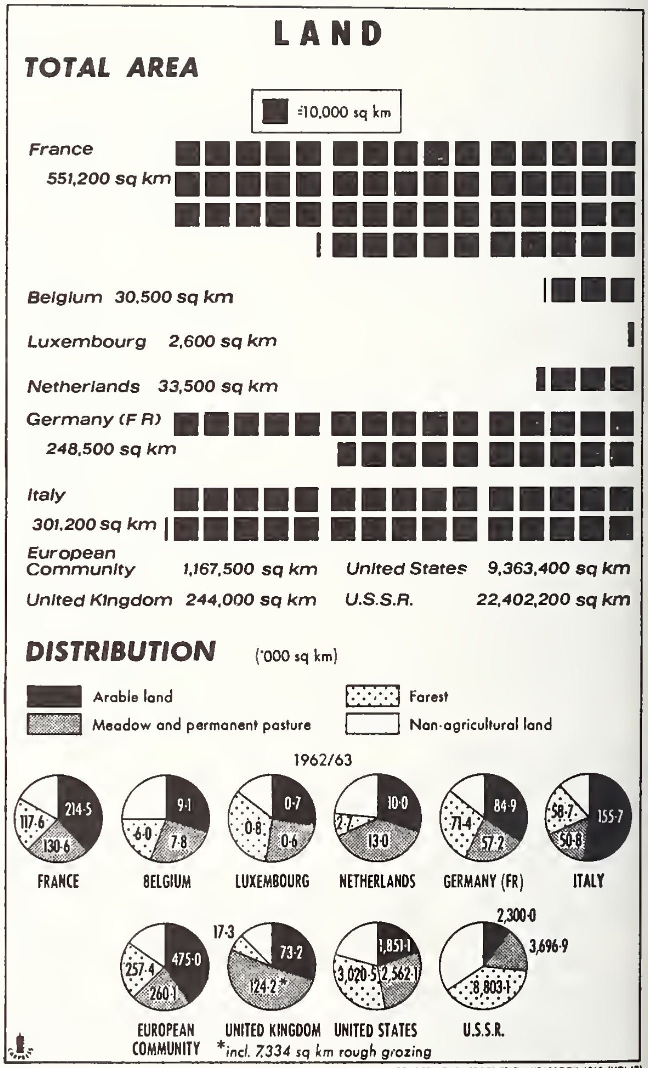
POSTAGE AND FEES PAID
U.S. DEPARTMENT OF AGRICULTURE

To change your address or stop mailing, tear off this sheet and send to Foreign Agricultural Service, U.S. Dept. of Agriculture, Rm. 5918, Washington, D.C. 20250.

Agriculture in the European Economic Community



SOURCE: STATISTICAL OFFICE OF THE EUROPEAN COMMUNITIES, AGRICULTURAL STATISTICS



SOURCE: FAO, PRODUCTION YEARBOOK 1963 (VOL.17)